

# ANNUAL REPORT

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COMFORT INTECH LIMITED

# COMFORT INTECH LIMITED

**REGISTERED OFFICE:**

106, Avkar, Algani Nagar,  
Kalaria, DAMAN – 396 210 (U.T.)

**CORPORATE OFFICE:**

301, A-wing, 3<sup>rd</sup> Floor,  
Hetal Arch, Opp. Natraj Market,  
S. V. Road, Malad (West),  
Mumbai – 400 064.  
Email : comfortin@vsnl.com  
Website: www.comfortintech .com

**REGISTRAR & TRANSFER AGENTS :**

Bigshare Services Pvt. Ltd.  
E-2/3, Ansa Industrial Estate,  
Saki Vihar Road, Saki Naka,  
Andheri (East), Mumbai – 72.

**BANKERS :**

HDFC Bank Ltd.  
Union Bank of India

**BOARD OF DIRECTORS :**

Shri. Anil Agrawal	Chairman & Managing Director
Shri. Bharat Shiroya	Executive Director
Shri. Janak Mehta	Director
Shri. Jugal Thacker	Director
Shri. Annu Agrawal	Director
Shri. Anand Agarwal	Director

**AUDITOR :**

Messrs. Bansal Bansal & Co.,  
Chartered Accountants,  
26, Kakad Corner,  
Below Hotel Sun-N-Sheel,  
Kondivita Lane, Andheri (East),  
Mumbai – 400 059

**COMPANY SECRETARY :**

Rama Devi Gundeti

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**NOTICE**

**NOTICE** is hereby given that the FIFTEENTH ANNUAL GENERAL MEETING of **COMFORT INTECH LIMITED** will be held at Hotel.Miramar, Devka Beach, Nani Daman – 396210 (U.T of DAMAN and DIU) on Saturday, 8<sup>th</sup> August, 2009 at 4.00 P.M to transact the following business:

**ORDINARY BUSINESS:**

1. To consider, approve and adopt the Audited Balance Sheet as on 31<sup>st</sup> March 2009 and the Profit & Loss Account of the Company for the year ended on that date together with the Directors Report and Auditor's Report thereon.
2. To declare the dividend on Equity shares
3. To appoint a Director in place of Mrs. Annu Agrawal who retires by rotation and being eligible, offers herself for re-appointment.
4. To re-appoint M/s BANSAL BANSAL & Co., Chartered Accountants, as the auditors of the Company and fix their remuneration.

**SPECIAL BUSINESS:**

5. To consider and, if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

**“RESOLVED THAT** the Salary and other allowances to be paid to Mr. Bharat Shiroya, Executive Director be increased as under:

- 1) Salary from Rs. 4,20,000/- to Rs. 4,80,000/- per annum.

Other benefits as per the rules of the Company.”

Place : Mumbai  
Dated : 29.06.2009

By Order of the Board  
Sd/-  
RAMA DEVI GUNDETI  
Company Secretary

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. PROXY FORM AND ATTENDANCE SLIP ARE ENCLOSED, PROXIES IN ORDER TO BE VALID MUST REACH AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under items 5 set out above is annexed hereto
4. The Register of Members and Share Transfer Books of the Company will remain closed from 6<sup>th</sup> August 2009 to 8<sup>th</sup> August 2009 (both the days inclusive.)
5. Members are requested to notify immediately changes in their respective address, if any, to the Company's Registered Office quoting their Folio No.
6. Members who hold shares in the Dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Annual General Meeting.
7. Members / Proxies should bring their copy of the Annual Report and also the attendance slip duly filled in for attending the meeting.

**ANNEXURE TO THE NOTICE:****EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACTS, 1956.**

The following Explanatory Statement sets out the material facts relating to the business under item 5 of the accompanying Notice:

**Item No. 5**

**Mr. BHARAT SHIROYA** was appointed as Executive Director of the Company in the Third Annual General Meeting and also re-appointed for the next 5 years in the meeting of the Board of Directors held on 15<sup>th</sup> October, 2007.

The main terms of appointment of Mr. Bharat Shiroya, as Executive Director are to be changed as under:

Salary from Rs. 4,20,000/- to Rs. 4,80,000/- per annum.

Other benefits as per the rules of the Company.

Yours Directors recommend the resolution for the approval of the members.

Mr. Bharat Shiroya is interested in the resolution as it relates to his appointment.

None of the other Directors of the Company are, in any way, concerned or interested in the resolution.

**Place : Mumbai  
Dated : 29.06.2009**

**By Order of the Board  
Sd/-  
RAMA DEVI GUNDETI  
Company Secretary**

**Registered Office:  
106, Avkar, Algani Nagar  
Kalaria, Daman - 396 210 (U.T)**



## DIRECTORS' REPORT

## To the Members of the Company,

Your Directors have pleasure in presenting the Fifteenth Annual Report on the business and operations of your Company with Audited Accounts for the year ended 31<sup>st</sup> March 2009. The financial results of the Company are summarised below:

## 1. FINANCIAL RESULTS:

PARTICULARS	(Rs. In Lacs)	
	YEAR ENDED 31st MARCH 2009	YEAR ENDED 31st MARCH 2008
Income from Operations	2606.56	5514.00
<b>Profit Before Depreciation and Taxes</b>	<b>107.46</b>	<b>134.21</b>
Less: Depreciation	(5.88)	(6.99)
Less : Provision for		
(a) Income tax	(15.00)	(36.50)
(b) Deferred tax	(0.53)	(0.63)
© Fringe Benefit tax	(0.50)	(0.43)
Income Tax paid of Earlier years	-	(0.20)
Loss on Assets written off	--	--
Profit for the Year	85.55	89.45
Add: Brought forward from last year	87.86	74.78
Distributable Profits	173.41	164.23
Appropriated as under :		
Transfer to Special Reserve	(17.11)	(17.89)
Proposed Equity Dividend	(47.99)	(49.98)
Tax on Distributed Profits	(8.16)	(8.49)
Balance Carried Forward to Balance sheet	100.16	87.86

## 2. DIVIDEND:

Your directors are pleased to recommend the dividend for the financial year 2008-09 on Equity Shares of Rs.10/- each at 0.30 paise per share equivalent to 3% aggregating to Rs 47,99,071/- (Rupees Forty Seven Lakhs Ninety Nine thousand and seventy one only)

## 3. OUTLOOK :

With the availability of the funds, your company has started on the path of exponential growth. Your Company plans to retain its exposure in the capital markets as well as increase its area of activity in the finance and project finance area.

With the initiatives being taken by your company, the Board feels confident of increasing turnover and profit substantially in the next financial year.

**4. REVIEW OF OPERATIONS:**

The gross income from operations has recorded a decrease in the current year as comparison to the previous year. Your directors are taking reasonable steps to increase the profits in the coming year.

**5. DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Mrs. Annu A Agrawal retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for reappointment.

**6. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956 the Directors confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) Appropriate accounting policies have been selected and the directors have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2008-2009 and of the profit and loss of the Company for the period;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The annual accounts have been prepared on a going concern basis.

**7. COMMENTS ON AUDITOR'S REPORT:**

As regards not making provision for retirement benefits of employees, the same has not been done in view of the small staff strength.

Your Company has appointed PKC & Associates as an Internal Auditor of the Company for the financial year 2009-10.

**8. AUDITORS:**

M/S. BANSAL BANSAL & CO., Chartered Accountants, retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment as an Auditor of the Company. They have furnished the necessary certificate of their eligibility under section 224 (1) (B) of the Companies Act, 1956.

**9. INCREASE IN PAID UP CAPITAL OF THE COMPANY :**

Your Company has already intimated you regarding the increase in Authorised capital of the Company from Rs. 10.5 crores to 17 crores and accordingly your approval has also taken in the general meeting held on 17<sup>th</sup> May, 2008 by passing the special resolution and got the approval for the above from

Registrar of Companies: Accordingly company has issued the 60,00,000 warrants under preferential allotment which were converted into equity and your company paid up capital has increased to 15,99,6904 Equity shares of Rs. 10/- each

#### 10. ACKNOWLEDGEMENT:

Your directors take this opportunity to place on record their warm appreciation of the valuable contribution, unstinted efforts and the spirit of dedication by the employees and officers at all levels in the progress of the Company during the year under review.

Your directors also express their deep gratitude for the assistance, co-operation and support extended to your company by the bankers, customers as well as the investing community and look forward to their continued support.

Place : Mumbai  
Dated: 29.06.2009

FOR AND ON BEHALF OF THE BOARD

Sd/-

ANIL AGRAWAL

Chairman & Managing Director

#### ANNEXURE TO DIRECTORS' REPORT:

Information Under Section 217(1)(e) of the Companies Act, 1956, Read with companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 forming part of the Directors' Report for the year ended, 31<sup>st</sup> March, 2009.

#### FOREIGN EXCHANGE EARNINGS AND OUT GO:

Amount in Rs.

Foreign exchange used  
Foreign exchange earned

Nil  
Nil



## **MANAGEMENT DISCUSSION & ANALYSIS**

### **Industry Overview:**

Non Banking Finance companies are fast emerging as an important segment of Indian financial system. It is an heterogeneous group of institutions (other than commercial and co-operative banks) performing financial intermediation in a variety of ways, like accepting deposits, making loans and advances, leasing, hire purchase, etc.. NBFCs are purveyors of credit to the sectors where credit gap exists. They advance loans to the various wholesale and retail traders, small scale industries and self-employed persons. Thus, they have broadened and diversified the range of products and services offered by a financial sector. Gradually, they are being recognized as complementary to the banking sector due to their customer oriented services; simplified procedures; attractive rates of return on deposits; flexibility and timeliness in meeting the credit needs of specified sectors etc.,

The working and operations of NBFCs are regulated by the Reserve Bank of India (RBI) within the framework of the Reserve bank of India Act, 1934 and the directions issued by it under the Act.

NBFCs are now recognized as complementary to the banking system capable of absorbing shocks and spreading risks at times of financial distress. As compared to many scheduled and co-operative banks, Non Banking Financial Companies have ability to take quicker decisions and customize their services & charges according to need of clients.

New opportunities like home equity, credit cards, personal finance, etc, are expected to take NBFCs to a new level. Growth in all these segments is sustainable at a higher rate than before given the low penetration and changing demography in the country.

### **Business Overview:**

The Company is presently engaged in business of providing advisory services, leasing & bill discounting, syndicating loan proposals, providing retail finance for consumer durable goods, providing hire purchase & installment credit of movable & immovable properties to first generation entrepreneurs to create a sound & formidable entrepreneurship base. The company is engaged arrangement of letter of credit to various entrepreneurs for import of machineries, toolings etc in order to enable them to flourish for their industries.

The company continued the focus on operation of financing to diverse customers regarding personal loans as well as loans to firms in order to assist them in operating their business smoothly and to assist them to overcome from the bottlenecks of working capital. Company feels this segment give mounting yield in terms of high interest rates. Though for operation under this segment needs a cautious analysis of borrowers but as company is currently operating in this segment and its management is having vast experience in borrower analysis and competent enough to overcome this dilemma.

The company has also continued the focus on trading in shares & securities, and also engaged in arbitrage business of stock market including derivatives segment as well as commodities market. Company is commanding a good premium from this segment as well.

In the recent past company has taken rapid strides in improving its operational and financial performance and company is looking forward to tap emerging growth opportunities in the NBFC sector by adding various services in its cart such as margin funding, Auto Financing, Finance to qualified professionals in order to assist them to set up their ventures and overcome the bottlenecks of mounting

capital investment and company is firm to occupy pride of place in the banking firmament and establishing a better image in the finance industry.

### **Objects & Business Strategy:**

For past couple of years company is growing at an accelerated pace and getting continuous inquiry from a lot of customers for increased finance. This has led to company to explore various sources to meet this requirement of finance and accordingly company has accumulated a fund of Rs.10,26,60,000/- by allotment of 60,00,000 Equity Shares on preferential basis.

During this fiscal company was able to successfully tap the margin funding segment in securities market as this segment has lower risk of default and quick & hassle free realization of debt. The management is committed to further strengthen the business model and brand image of the company and to become the veteran in the industry by achievement of following objectives for steady growth of the company.

- ? To expand the segment of providing finance for consumer durables to individuals.
- ? To expand its activities pertaining to providing financial assistance by means of hire purchase, installment credit, and leasing of plant equipment, machineries etc first generation entrepreneurs
- ? To expand the segment of providing Margin Funding to eligible investors in securities market.
- ? To enter in to the debt syndication segment.

### **Financial Highlights:**

- ? CIL recommended a dividend of 3% as on March 31, 2009.
- ? Income from operation stood at Rs. 2606.56 Lakhs for fiscal 2009
- ? Profit Before Taxes of fiscal 2009 was Rs. 101.59 Lakhs.
- ? Profit After Taxes of fiscal 2009 was Rs. 85.55 Lakhs
- ? Basic Earning per share for fiscal 2009 was Rs. 0.53
- ? Cash & cash equivalents (including fixed deposits with banks) stood at Rs. 720.57 Lakhs as on March 31, 2009
- ? Net Worth of company stood at Rs.2228.49 Lakhs as on March 31, 2009

### **Manpower & Employee Relations:**

Comfort Intech Limited considers human resources a key element. The company has a competency based performance and potential appraisal systems for identifying and developing managerial talents. To improve the efficiency and effectiveness of its human resources, the company consistently endeavors to train and upgrade the skill level of its employees. Emphasis is laid on providing adequate training to its employees, to meet the attitudinal and cultural values of the organization ethos to achieve the goals set.

The human resources of company are quite enough according to size, volume and transactions of business and employee relations are continued to be cordial during the year. Company is considering to implement employees' stock option scheme and to provide retirement benefit schemes for its